

PSJ11 CVS Opp Exh 15

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To: Bourque, Tom M.
Sent: 6/17/2014 3:26:40 PM
Subject: SOM Risk Analysis.xlsx
Attachments: SOM Risk Analysis.xlsx

Tom,

I have made the updates we discussed. The only one I wasn't clear on is the one we changed to Medium/High...did you want me to change the comments and take out the statistics?

Thanks,
Craig

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Document Produced Natively

SOM Risk Analysis

Potential Risk	Risk Level	Comments	Remediation Plan
The SOM team is inconsistent in the way they perform their due diligence. Not each team member is aligned with the importance of reaching out to our stores in order to comply with the "Know Your Customer" expectation. This could also lead to inconsistencies in the though process of what orders should be released or blocked.	High	In May, the following is the percentage of calls each team member made for flagged orders: Annette 19%, Khalilul 15%, Noah 13%, Caitlin 7%, Shan 4%.	Reset expectations with the team and continue to review statistics to monitor improvement.
The SOM team is inconsistent in the way they document their due diligence. Inconsistency in documentation styles and approach may lead to the team being inefficient in completing their daily workload. Also, without a uniform approach to the documentation process the team may not be ensuring all appropriate documentation is being captured.	High	In May, the following is the number of cases each team member worked: Khalilul 1,171, Annette 898, Shan 844, Noah 729, Caitlin 704. The large discrepancy in numbers is part of the reason the team is unable to get through all flagged orders each day.	A weekly team meeting should be set up in which the team reviews cases completed the previous week. The team will develop a consistent due diligence approach.
Lack of engagement by the Management team.	High	The team is not receiving the support and guidance they need to effectively do their jobs. Since Susan has started she has not taken an active role in learning the position and finding the area of opportunity within the team. I have received comments from the team that they do not feel like they can approach her with questions due her door always being closed and now blinds added to her office window which are shut. Potential concerns have been raised by the Compliance Team and there has not been significant improvement.	Management must take a mentoring role to the team as all team members have no previous experience with SOM. Management should hold scheduled status meetings and take an active role in reviewing cases each team member has worked on.
Lack of communication from the SOM Management team to the SOM Analysts, as well as lack of foresight by the Management team.	High	The management team does not do an effective job at communicating to the analysts which in turn hurts their production. Examples of lack of foresight and communication hurting the team: <ul style="list-style-type: none"> • Increase in Iodine flagged orders on 6/16 – The SOM team spent a full day researching what caused a significant increase in iodine flagged orders, and focus was diverted from working on completing due diligence on other DC and OV held and cancelled orders. At 4:00pm on 6/16, Management informed the SOM Analysts that the increase was due to the potential strike at one of the ports and CVS decided to ship 3x the amount of front store product to Hawaii. The stores had no control of these orders. As a result of the lack of communication, the team did not get to 75 controlled substance flagged orders. Foresight by the Management team that this action of shipping more product to stores in Hawaii would have allowed the SOM team to be prepared for this increase in flagged orders and have a game plan on how to handle. • Over the past couple weeks there have been glitches in the SOM Algorithm which has prevented the team to conduct their responsibilities in a normal fashion. Feedback received from the team was that despite numerous emails and conversations with the Management team, no guidance or feedback was provided until the end of the day. In once case, Compliance took the lead in reaching out to IT in order to have the issue looked into and start the remediation process. • Susan was traveling for 3 days and did not notify the team that she will not be in the office until the morning of the day she was traveling. 	Management must improve on communicating to the SOM team when actions are taken by the logistics team that could affect daily output.
Lack of resources to handle the rollout of all distribution centers. This could freeze the rollout of the remaining 6 DC or cause the team to not get to every flagged order each day.	High	To date the team is struggling to complete the amount of flagged daily orders. With 6 more DC's still to be rolled out, there has been no plan communicated on how the team intends to handle the increased volume. One team member will be on maternity leave in a couple weeks so the team will also be 1 member short. Without additional resources or plan of attack for the additional DC's, the team will not be able to keep up with the workload.	Additional resources need to be added to the team, and the SOM Due Diligence process must be streamlined to ensure maximum efficiency.
Today we are unclear how well the system is identifying orders that should actually be flagged (false positive rate and tests that need to be more stringent?).	High	The team has to start monitoring which Tests (if any) are generating a significant number of false positives. Also, the team has not taken any steps to identify if any flags are not identifying enough orders of interest.	The team will need to start keeping a log of the flagged orders they review and identifying which flags they identified as false positives. Also, the team should identify the Tests which have the lowest flag percentage and test if the sensitivity is set appropriately.
The SOM Algorithm is not flagging the drugs which are diverted the most at our retail locations at a high enough rate.	Medium/High	In reviewing LP's April Monthly Case Review, the following drugs were identified as the most lost or stolen drugs in our chain: 1. Alprazolam 2. Ambien 3. Benzodiazepines 4. Carisoprodol 5. Hydrocodone . In reviewing May's statistics for SOM, those drugs were flagging at low rates in comparison to other less diverted/risky controlled substances. The following percentages represent the percent that each drug flagged in comparison to all other drug families in May: 1. Alprazolam 0.8% 2. Ambien 2% 3. Benzodiazepines 6% (High Risk Ones - Lorazepam, Clorazepam, Alprazolam, Diazepam, Clorazepam) 4. Carisoprodol 12% 5. Hydrocodone 2% Tablets/ 5% Syrup .	The SOM Algorithm needs to be made more stringent on our high risk drugs to ensure they are receiving the proper due diligence. For drugs of less risk and potential for diversion, we should look into adjusting the algorithm so they do not flag as frequently.
Not all team members are adhering to CVS Standard Operating Procedures of working cases in the order they are presented in the queue.	Medium	Feedback from some team members is that not everyone is working the next case indicated in the queue. Comments have been made that at times some members preselect a number or cases that they feel will be easy to conduct due diligence on based on the drug family. This practice goes against the programs expectations and has affected the moral of other team members.	Management must readdress the expectations to the SOM team and address these kind situations as they arise.
The SOM Team is not trending any of the information or cases that they are seeing. The SOM team only handles cases that are flagged and are not proactively working to identify trends.	Medium	Proactively working to identify stores where volume of flagged orders is abnormally high will help prevent flagged orders in the long run and strengthen out ability to better "know our customer."	Management will work with the team to develop trending reports and proactively reach out to stores who are abnormal to the rest of the chain.